

LETTER FROM THE COMMISSIONER

October 1, 2006

The Honorable Mitchell E. Daniels, Jr.
Governor, State of Indiana
State House, Room 206
Indianapolis, Indiana 46204-2797

Dear Governor Daniels:

The following document represents the Indiana Department of Revenue's sixteenth annual report, covering Fiscal Year 2006 (July 1, 2005 – June 30, 2006), as required by Indiana law.

Fiscal Year 2006 included a number of key achievements and additional discoveries for improvements. Each of these contribute to progress in being more customer oriented, more efficient and effective, and focused on selecting and developing quality employees.

Several initiatives were rolled out in Fiscal Year 2006 that supports the Department's mission and strategic direction:

- Indiana Tax Amnesty was launched, collecting more than \$244 million in delinquent state taxes.
- New online tools and marketing efforts helped increase electronic filing by 20 percent, versus the previous year.
- Mandatory customer-service training was implemented throughout the Department, and is now integrated as a required part of new-employee orientation.
- In addition, supervisor training was begun, which covers all aspects of employee management, from listening and coaching, to performance-management planning.

Discoveries throughout FY 2006 have led to new legislation and collection practices to begin in FY 2007, such as:

- New legislation, effective Jan. 1, 2007, requiring that retail merchant certificates must be renewed biennially, and anyone delinquent in paying sales tax would be prohibited from renewing the certificate.
- Scheduled monthly billings for delinquent sales and withholding taxes.
- Enlisting the use of professional collection agencies to assist with aged liabilities that are often difficult to collect on.

In FY 2007, the Department will continue to focus its efforts on reshaping the agency to be a more efficient and effective operation – one that “buys results,” rather than merely supports the “cost of running government.”

Sincerely,



John Eckart
Commissioner